

WASHINGTON STATE DEPARTMENT OF REVENUE

SPECIAL NOTICE

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Carbonated Beverage and Syrup Tax Changes

Engrossed Second Substitute House Bill (E2SHB) 2319 (Chapter 7, Laws of 1994, 1st Special Session) is a comprehensive act directed toward the prevention of violence. Sections 905-909 of this bill concern the carbonated beverage and syrup tax first levied in 1989 to provide funding for a drug education program. The bill provides for changes in the application of the tax and tax rate in July of 1995 and are detailed below.

Effective July 1, 1995, the carbonated beverage tax expires. Wholesale and retail sales of carbonated beverages will not be subject to the .0084 per ounce tax.

Also effective on July 1, 1995 there is an increase in the rate of the syrup tax. The new syrup tax rate will be one dollar per gallon on each wholesale or retail sale of syrups added to carbonated water to produce carbonated beverages.

There are several exemptions to the syrup tax:

- ◆ Any successive sale of a previously taxed syrup.
- ◆ Any syrup that is transferred to a point outside the state for use outside the state.
- ◆ Any sale at wholesale of a trademarked syrup by any person to a person commonly known as a bottler who is appointed by the owner of the trademark to manufacture, distribute, and sell such trademarked syrup within a specified geographic territory.
- ◆ Any sale of syrup in respect to which a tax on the privilege of possession was paid under this chapter before June 1, 1991.

If you have questions, please contact the Taxpayer Services Division of the Department of Revenue at 1-800-647-7706.

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